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SUBJECT: BRAZIL: VICE ENVIRONMENT MINISTER ON CHALLENGES AHEAD,
UPDATE ON TFCA

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¶1. (SBU) SUMMARY. In a meeting with the Ambassador on January 22, Brazilian Vice Minister for the Environment Izabella Teixeira expressed interest in a new, broader agenda between the United States and Brazil. She highlighted Brazil's need to address the interlinked challenges of energy, climate change and development. Also, she reported that the Environment Ministry had concluded its review of the USG draft agreement under the Tropical Forest Conservation Act (TFCA) and was relaying their comments to the Ministry of External Relations, which then will prepare a consolidated response. She said they were happy with the results and she looked forward to soon having a fund to support efforts to protect the Atlantic tropical forest. COMMENT. Given these opportunities for increased coordination and cooperation, Pos encourages senior USG climate change and environment officials to visit Brazil early on to meet and discuss these possibilities with senior Brazilian counterparts. END SUMMARY AND COMMENT.

¶2. (SBU) On January 22, Brazil's Vice Minister for the Environment, Isabella Monica Vieira Teixeira, described to Ambassador Sobel her perspective on the challenges ahead. She set the stage by noting that President Luiz Inacio Lula da Silva had just two years left before he had to leave office. The Environment Ministry is looking at what it can accomplish in the time remaining, as well as what policies and programs it can leave that will continue on for the mid-term.

¶3. (SBU) Overall, Teixeira explained that President Lula and Environment Minister Carlos Minc were focused on three inter-related challenges. First, how to protect and at the same time sustainably use Brazil's natural resources (forests, biodiversity and traditional knowledge). Second, how to meet Brazil's growing energy needs without resorting to fossil fuels (via biofuels, wind power, and other renewable sources) and how to supply energy to those rural areas currently without electricity. She said that the Environment Ministry was coordinating with the Ministry of Mines and Energy in this area; she added that the government needed to see where nuclear energy fit into the energy matrix. Third, how to modernize and make more efficient the transportation sector. The Lula Administration was seeking to incorporate these issues into an agenda for development, she added.

¶4. (SBU) Teixeira said that Brazil wanted closer ties with the United States, and it would like a new agenda, not just global climate change, to deal with these challenges (described above). The Ambassador pointed out how the Obama Administration was in its early days, yet had already signaled the importance of energy and

climate change, which would contribute to creating green jobs.

CLIMATE CHANGE AND DEFORESTATION

15. (SBU) Teixeira highlighted the National Plan on Climate Change (REFTEL A), which President Lula signed on December 1, 2008. (NOTE: The massive deforestation in Brazil accounts for over 70 percent of Brazil's greenhouse gas emissions. Thus, for Brazil the problem of greenhouse gas emissions is basically one of reducing the rate of deforestation. END NOTE.) The new plan is not limited to containing deforestation, but reflects a development agenda and ways to grow the economy and make it more efficient and greener. She stressed that Brazil needed to keep development in mind as it deals with climate change.

16. (SBU) Fernando Lyrio, the Environment Ministry's Director of the International Affairs Office, added that in December at the meeting of the UN Framework Convention on Climate Change (UNFCCC) in Poznan, Brazil had taken the lead by unveiling its national plan with specific figures and programs. Brazil wanted to put its cards on the table, he said. Lyrio commented that no developing country is talking about mandatory goals for developing countries. He stated that Brazil was in close contact with China, India and other developing countries about the climate change negotiations.

17. (SBU) Teixeira announced that President Lula planned to meet with the mayors of the 36 municipalities identified as having the highest levels of deforestation (together accounting for over half the Amazon deforestation), in order to seek ways to deal with the problem. Minister Minc would meet with them first in February to prepare for the presidential meeting. The Environment Ministry expected to employ the newly created and funded Amazonas Fund (REFTEL B) to support efforts to constrain deforestation in these 36 municipalities, she explained.

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TROPICAL FOREST CONSERVATION ACT (TFCA)

18. (SBU) Teixeira reported that the day before (January 21) the Legal Office and other interested units within the Environment Ministry had completed their review of the USG draft text for an agreement under the Tropical Forest Conservation Act (TFCA). The ministry's views would be transmitted to the Ministry of External Relations (MRE) for preparation of the government's official response. She said she was very happy with the result and looked forward to soon having a fund to support efforts to protect the Atlantic tropical forest. (NOTE. After the meeting with Teixeira, ESTH Counselor met with the Brazilian chief negotiator on TFCA, Fernando Coimbra, Director of MRE's Environment Office. Coimbra said that they needed to organize a meeting of the three interested ministries - MRE, Environment, and Finance - to finalize the official response to the USG draft text. He said this would happen "very soon." END NOTE.)

COMMENT

19. (SBU) COMMENT. The new team at the Environment Ministry - Minister Minc and Vice Minister Teixeira - is another case of an important component of the GOB that is positive toward increasing cooperation and bilateral ties, and could be helpful in influencing other important players such as the Ministry of External Relations. Brazil's focus on the linkages among the issues of energy, climate change and the economy mirrors some of the challenges the United States is facing. Vice Minister Teixeira's interest in working together on a new, broader agenda to address these challenges is consistent with views we hear from other Brazilian decision-makers and opinion makers. Post encourages senior USG climate change and environment officials to visit Brazil early on to explore the almost unprecedented opportunities for greater coordination and cooperation here. Timing is important because as the months go on the Brazilian body politic will likely become consumed by the upcoming 2010 presidential elections.

110. (SBU) Minister Minc and Vice Minister Teixeira have the most to gain from a TFCA program and it is encouraging to see Teixeira's

enthusiasm for creating a TFCA program. Concluding a TFCA agreement might make a noteworthy item for the upcoming meeting in March between President Lula and President Obama. END COMMENT.

SOBEL